

**COMMITTEE ON GOVERNMENT REFORM**  
**CONGRESSMAN TOM DAVIS, CHAIRMAN**



**NEWS RELEASE**

**For Immediate Release**  
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**DAVIS, NORTON ANNOUNCE D.C. BUDGET AUTONOMY ACT**

Washington, D.C. – House Government Reform Committee Chairman Tom Davis (R-VA-11<sup>th</sup>) and Rep. Eleanor Holmes Norton (D-DC) today announced introduction of the District of Columbia Budget Autonomy Act of 2003, historic legislation that does away with the centuries-old requirement that Congress must approve the District's budget.

The legislation states that, beginning with FY05, D.C. will no longer need congressional approval of its local budget. Instead, the local budget will come up to Congress for a one-month review. Thus, as long as the District gets its local budget up to Congress by September 1, it should never get a late start on enacting their fiscal budget.

"The District's leaders and residents have earned the right to this freedom and this accountability," Davis said, noting the city certified its sixth consecutive balanced budget last week. "The city should have the ability to spend its own funds as it sees fit. With this legislation, we renew our commitment to both the financial viability and financial responsibility of the Nation's Capital. And this frees the local budget from the whims of Congress. Of course, Congress has a Constitutional responsibility to make sure the District does not return to the days when it faced a fiscal crisis of Shakespearean proportions. So, should a control board be reinstated, this budget autonomy would be rescinded."

The federal government will still be responsible for enacting an annual DC appropriations bill to fund criminal justice and defender services functions, courts and tuition assistance.

**SEVEN "DEADLY SINS" THAT WOULD TRIGGER ANOTHER CONTROL BOARD:**

- Borrowing money from Treasury;
- Failure to provide sufficient funds to a debt service reserve fund;
- Default on loans, bonds, notes;
- Failure to meet payroll;
- Existence of a cash deficit at the end of any quarter of a fiscal year;
- Failure to make pension payments; and
- Failure to make payment to any entity under an interstate compact.

**FINANCIAL RECOVERY TIMELINE:**

**3/30/1995:** House Government Reform Committee report declares the following:

*“The District of Columbia is insolvent: The City does not have enough cash to pay all of its bills. It is spending at a rate in fiscal year 1995 that would exceed its mandated expenditure limits by more than \$600 million, nearly 20 percent above its congressional appropriation.”*

**4/17/1995:** DC Financial Responsibility and Management Assistance Act is signed into law.

**2/14/2001:** District certifies its 4<sup>th</sup> consecutive balanced budget (FY96-FY00).

**9/30/2001:** Financial Responsibility and Management Assistance Authority lapses.

**2/3/2003:** After DC certifies its 6<sup>th</sup> consecutive balanced budget, legislation introduced to remove District’s local budget from congressional approval.

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